

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

PENSION COMMITTEE

THURSDAY, FEBRUARY 16, 2010,

3:00 P.M.

IN THE MARY BRENNAN BOARD ROOM

AT T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Pension Committee was called to order by Chair, Kathleen C. Hittner, M.D. at 3:16 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: Kathleen C. Hittner, M.D., Chair, RIAC Board; Kevin A. Dillon, RIAC President and CEO; Jeffrey Wiggin, Acting President, Local 2873.

ALSO PRESENT: Peter A. Frazier, General Counsel; Bruce Wilde, Chief Human Resources Officer; Sherri-Ann Penta, Manager of Human Resources.

1. Update by Chief Human Resources Officer and Plan Administrator:

Mr. Wilde gave a brief overview of both agenda items in relation to the Corporation's Pension Plan. Mr. Wilde noted that item 2 (a) is a proposal to add a loan provision to the current 414H pension plan, and was a result of requests from employees to be able to access funds from their pension plans. Item 2 (b) is a recommendation to hire an independent investment advisor who would review and give advice to the Corporation on the individual investment products and services being offered by Principal Financial (Principal), the Corporation's pension plan provider.

2. Action Items:

(a) Consideration of and Action Upon Retirement Plan Update to Add a Loan Provision.

Ms. Penta gave an overview of the item noting that this request was in response to employees' requests to access their retirement funds. These requests have increased during the recent economic downturn. Ms. Penta reported that the Corporation had explored the idea of allowing hardship withdrawals from the Principal 414h retirement plan; however, in accordance with IRS restrictions, 414h retirement plans cannot offer hardship withdrawals. However, the option to add a loan provision does exist. Ms. Penta gave an overview of the recommended loan provisions. Discussion focused on how the loans would be handled administratively by RIAC, and included the various restrictions and fees associated with the loan. The

consensus was that this was a reasonable benefit to offer employees, particularly during the current economic climate. The recommendation is that the Committee authorize the President and CEO, or his designee, to enter into the loan amendment to the current 414h retirement plan through Principal Financial, subject to Board approval.

A motion was made by Mr. Dillon and seconded by Mr. Wiggin to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) offers a 414h retirement plan through Principal Financial (Principal); and

WHEREAS, RIAC staff have been inquiring about access to retirement monies; and

WHEREAS, through consultation with Principal it was determined that our current plan does not allow hardship withdrawals per IRS guidelines; however, the option to add a loan provision exists; and

WHEREAS, the cost to RIAC would be a one time \$500 fee to amend the current plan document and \$8 per loan each quarter thereafter; and

WHEREAS, prior to withdrawal of funds employees must pre-qualify with Principal; and

WHEREAS, costs to process loans would be the sole responsibility of the employee.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee approves the President and CEO, or his designee, to enter into the loan provisions to the current 414h retirement plan through Principal Financial, subject to Board approval.

- 1. Amend the plan to allow for one loan per participant.**
- 2. Minimum loan amount of \$1,000. Maximum loan amount is 50% of vested balance per IRS guidelines.**
- 3. Recognize the Plan Administrator as the Loan Administrator.**
- 4. Select Teletouch as the method for loan requests.**
- 5. Allow 10 years to repay a loan to purchase a primary residence. Any other loan has a five year limit per IRS guidelines.**
- 6. If excess monies above the scheduled payment are received the extra money should go to the principal of the loan.**
- 7. 90 days is the standard amount of time people are permitted to miss a payment before being placed in default.**
- 8. Department of Labor guidelines allow 60 days for repayment of the loan after termination.**

The motion was passed unanimously.

(b) Consideration of and Action Upon Selection Criteria for an Investment Advisor.

Mr. Wilde gave an overview of the item reporting that the recommendation is that RIAC retain the services of an independent investment advisor who would review and give advice to the Corporation on the individual investment products and services being offered by the Principal. Discussion focused on the selection criteria and the services and duties to be provided by the investment advisor.

A motion was made by Mr. Dillon and seconded by Mr. Wiggin to authorize the Corporation to issue an RFP in substantially the form presented to the Committee.

The motion was passed unanimously.

3. Future Meetings:

The next meeting will be announced.

4. Adjournment:

At approximately 4:45 p.m. a motion was made by Mr. Dillon and seconded by Mr. Wiggin to adjourn the meeting. The motion was

passed unanimously.

Respectfully submitted,

**Kathleen C. Hittner, M.D, Chair Rhode Island Airport
Corporation
Pension Committee**